Treasury Transactions by Commercial Banks in Tripura

2958. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that commercial banks are not interested to take up treasury transactions in three sub-divisions of Tripura;

(b) if so, whether Government would consider the proposal of the State Government to appoint RRB for taking up this function; and

(c) whether RBI propose to issue a license for currency chest in favour of the RRB of these sub-divisions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that the Government of Tripura had created two new sub-divisions of Gandacherra and Bishalgarh during the years 1989 and 1995, respectively. The State Government has been pursuing with the commercial banks to open a branch at these centres to take up the sub-treasury transactions. All the scheduled commercial banks have regretted their inability to do so due to the law and order situation and unprofitable economics.

(b) and (c) As per RBI's present policy, the Regional Rural Banks are not entrusted with Government work and cannot open currency chest. However, RBI has conveyed to the State Government that it is open to the RRBs to enter into agreement with State Governments to transact Government business.

Writing off the Central Loan to North Eastern States

2959. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether the State Governments of North-Eastern Region have requested the Central Government to write off all the outstanding loans till March, 2000; and

(b) if so, the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Requests have been received from some of the North Eastern States form time to time for the writing off of outstanding loans and interest and for moratorium on repayment of Central Government's loans.

Finance Commission within its terms of reference reviews the debt position of the States while making its recommendations for transfer of resources to States. Eleventh Finance Commission has recommended the fiscal performance based debt relief scheme, as a part of its report. The recommendations of the Eleventh Finance Commission have been accepted by the Government of India. The repayment liability of the States has been captured in the Eleventh Finance Commission's recommendation on devolution from Central to State. There is no provision for selective reopening of debt relief beyond the recommendations made by the Eleventh Finance Commission.

Share of Industry in GDP

2960. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that between 1980 to 1998 share of industry in GDP increased from 24 per cent to 25 per cent only, but share of services during that period shot up from 38 to 46 per cent, thus implying requirement of more work force in services sector;

(b) if so, with VRS schemes being implemented, whether Government are thinking of giving fillip to "Services Sector" so that employment position in the country is no adversely affected; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) As per the information available with the Central Statistical Organisation the share of industry (comprising mining and quarrying, manufacturing, electricity, gas and water supply and construction) as a proportion of Gross Domestic Product (GDP) at market prices increased from 24.4 per cent in 1980-81 to 26.1 per cent in 1998-99. In contrast, the share of services sector (comprising trade, hotels and restaurant, transport,